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Message Text

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ACTION PM-04

INFO OCT-01 AF-08 ISO-00 SS-15 SSO-00 OMB-01 IGA-02 INR-07
INRE-00 L-03 ACDA-07 /048 W
----------041236Z 066344 /14
O 041159Z JAN 77
FM AMEMBASSY NAIROBI
TO SECSTATE WASHDC IMMEDIATE 5091
SECDEF WASHDC//DSAA// IMMEDIATE
DEPT OF TREASURY WASHDC IMMEDIAT
INFO HQ USAF WASHDC//LGF//

C O N F I D E N T I A L NAIROBI 0083

E.O. 11652: GDS
TAGS: MASS, KE, US
SUBJECT: DISBURSEMENT OF FMS CREDITS FOR KENYA

1. PERMANENT SECRETARY OF KENYA FINANCE MINISTRY TELEPHONED EMBASSY ON JAN. 3 TO SEEK CLARIFICATION OF CONFUSING REPORT RECEIVED FROM KENYA EMBASSY IN WASHINGTON REGARDING DISBURSEMENT OF FUNDS UNDER KENYA'S FMS CREDITS. KENYA EMBASSY HAD REPORTED RECEIVING A COMMUNICATION FROM THE TREASURY WHICH WARNED THAT FAILURE TO DISBURSE $1.5 MILLION RPT $1.5 MILLION BY DEC. 31, 1976, FROM LOAN SIGNED JUNE 1976 RPT 1976 WOULD RESULT IN LOSS OF THE CREDIT.

2. PERMSEC RELEPHONED EMBASSY AGAIN ON JAN. 4 TO SAY HE HAD JUST RECEIVED COPY OF LETTER FROM KENYAN CHARGE D'AFFAIRES IN WASHINGTON WHICH INDICATED THAT THE AMOUNT OF $1.5 MILLION WHICH REQUIRED IMMEDIATE DISBURSEMENT WAS BALANCE OF LOAN SIGNED IN JUNE 1975, NOT 1976. CHARGE'S LETTER SAID CROSSWHITE OF TREASURY HAD INFORMED HIM THAT A DOCUMENT HAD TO BE SIGNED JANUARY 7 TO AVOID LOSS OF THE CREDIT.

3. WE ARE UNDER IMPRESSION THAT JUNE 1976 LOAN CAN BE DISBURSED ANY TIME THROUGH DECEMBER 1977, SO WE
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ASSUME THAT URGENCY OF DISBURSEMENT PERTAINS TO 1975 LOAN AS STATED PARA 2 ABOVE. HOWEVER, WE CANNOT UNDERSTAND WHY THERE IS UNDISBURSED AMOUNT OF $1.5 MILLION. THE FIRST $1.5 MILLION OF THE 1575 LOAN WAS TO HAVE BEEN DISBURSED IN AUGUST 1976 AS DOWN-PAYMENT FOR F-5E'S WHEN LOA FOR FMS CASE "PEACE DRUM" WAS SIGNED. THE BALANCE OF THE 1975 LOAN IN THE AMOUNT OF $3.5

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MILLION WAS USED TO MEET PROGRESS PAYMENT DUE BY 30 NOVEMBER 1976. KENYA FINANCE MINISTRY ASSURE US THAT IT SENT INSTRUCTIONS TO FEDERAL FINANCING BANK IN LATE NOVEMBER TO TRANSFER THIS AMOUNT TO USAF. THUS THE ENTIRE $5 MILLION LOAN SIGNED JUNE 1975 SHOULD HAVE BEEN APPLIED TO PEACE DRUM FMS CASE WELL BEFORE DEC. 31 DEADLINE.

4. KENYA GOVERNMENT IN THE PAST HAS BEEN UNWILLING TO AUTHORIZE ITS CHARGE D'AFFAIRES IN WASHINGTON TO SIGN LOAN AGREEMENTS, AND WE UNDERSTAND FROM FINANCE MINISTRY PERMSEC THAT IT WOULD BE EQUALLY RELUCTANT TO HAVE CHARGE SIGN AUTHORIZATION TO DISBURSE LOAN FUNDS. IF, AFTER INVESTIGATION OF CONFUSION OUTLINED IN PARAS 1-3, IT IS STILL NECESSARY FOR SOME DOCUMENT TO BE SIGNED BY JANUARY 7, WOULD U.S. TREASURY ACCEPT TELEGRAPHIC AUTHORIZATION FROM KENYA MINISTRY OF FINANCE, TO BE FOLLOWED BY SIGNED LETTER DATED NO LATER THAN JANUARY 7?

5. AT THE SPECIFIC REQUEST OF KENYA MINISTRIES OF FINANCE AND DEFENSE, URGE THAT ALL RPT ALL FURTHER COMMUNICATION WITH GOVERNMENT OF KENYA REGARDING FMS PAYMENTS, DELIVERIES, ETC., BE FORWARDED VIA AMEMBASSY NAIROBI, IF NECESSARY IN PARALLED TO ANY NOTIFICATIONS PROVIDED TO KENYA EMBASSY WASHINGTON. AS FOREGOING ILLUSTRATES, KENYA EMBASSY WASHINGTON IS UNFAMILIAR WITH FMS MATTERS AND CANNOT ENSURE TIMELY ACTION BY APPROPRIATE OFFICIALS IN NAIROBI.
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MARSHALL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE, FUND ALLOTMENT, CREDIT
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NAIROB00083
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770002-1326
Format: TEL
From: NAIROBI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770182/aaaactqw.tel
Line Count: 98
Litigation Code IDs:
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Litigation History:
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Office: ACTION PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3667530
Secure: OPEN
Status: NATIVE
Subject: DISBURSEMENT OF FMS CREDITS FOR KENYA
TAGS: MASS, KE, US
To: STATE DOD
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/41085ddd-c288-dd11-92da-001cc4696bcc
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